

Message Text

UNCLASSIFIED

PAGE 01 ALGIER 00771 080939Z

ACTION NEA-10

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-11 H-02 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-15 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 XMB-04 PA-02
FRB-01 /134 W

-----014209 081609Z /45

R 080733Z MAR 78

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 8166

INFO AMEMBASSY RABAT

AMEMBASSY TUNIS

AMCONSUL ORAN POUCH

UNCLAS ALGIERS 0771

DEPT PASS EXIMBANK AND DEPT OF ENERGY

E. O. 11652: N/A

TAGS: ENRG, AG, EFIN

SUBJ: ENERGY MINISTER'S SPEECH AT OPENING OF LNG PLANT

REFS: A) ALGIERS 0627, B) ALGIERS 0642

1. THE FOLLOWING IS A SUMMARY OF THE SPEECH GIVEN (IN ENGLISH) BY
MINISTER OF ENERGY SID AHMED GHOZALI AT THE INAUGURATION OF THE
"LNG-1" GAS LIQUIFACTION PLANT IN ARZEW ON FEBRUARY 21.

2. THE MINISTER GREETED PRESIDENT BOUMEDIENE, SOME 250 FOREIGN
GUESTS FROM THE U.S. AND EUROPEAN GAS, PETROLEUM AND BANKING WORLDS,
SEVERAL THOUSAND WORKERS FROM THE LNG AND OTHER PLANTS IN ARZEW,
AND VISITING FOREIGN JOURNALISTS.

3. HE CALLED ATTENTION TO THE SIGNIFICANCE OF THE NEW PLANT, WHICH
WILL REACH A PRODUCTION OF 10 BILLION CUBIC METERS A YEAR, OF OTHER
HYDROCARBON AND PETROCHEMICAL PLANTS OPERATING OR UNDER CONSTRUCTION
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ALGIER 00771 080939Z

IN ARZEW, SKIKDA AND ANNABA, AND OF THE NEW PORT OF ARZEW, WHICH
IS DESTINED EVENTUALLY TO HANDLE 50 MILLION METRIC TONS OF OIL AND
LPG AND 40 BILLION CUBIC METERS OF LNG PER YEAR.

4. THE MINISTER RECALLED EARLIER STEPS IN THE DEVELOPMENT OF THE
ALGERIAN HYDROCARBON INDUSTRY, STARTING WITH THE 28 INCH HASSI-
MESSAOUD/ARZEW OIL LINE OPENED IN 1966. HE POINTED TO THE LONG

CHAIN OF INVESTMENTS REQUIRED TO REALIZE AN LNG PROJECT-- WELLS,
GATHERING LINES, TREATMENT PLANTS, LONG DISTANCE LINES, LIEQUIFAC-

TION PLANTS, PORTS, TANKERS, AND REGASIFICATION FACILITIES IN THE
RECEIVING COUNTRY.

5. THE MINISTER ACCUSED UNNAMED PARTIES OF HAVING TRIED TO "STRAN-
NGLE" THE SONATRACH/EL PASO PROJECT AT THE START (ETRANGLER DANS
L'OEUF) AND RECALLED THE OBSTACLES THAT DELAYED THE PROJECT--DELAYS
CAUSED BY "LONG AND COMPLEX BUREAUCRATIC RITUAL" IMPOSED BY THE
U.S. FEDERAL POWER COMMISSION AND THE "BAD FAITH" OF THE ORIGINAL
U.S. CONTRACTOR (EMBASSY NOTE: CHEMICO OF NEW YORK). THE CONTRAC-
TOR HAD FAILED TO HONOR HIS UNDERTAKINGS AND HAD CAUSED SERIOUS
COST OVERUNS. SONATRACH HAD HAD TO CHANGE CONTRACTORS (EMBASSY
NOTE: THE JOB WAS FINISHED BY BECHTEL).

6. THE MINISTER WISHED "BON VOAGE" TO THE SHIP THAT WILL CARRY
THE FIRST CARGO UNDER A CONTRACT THAT WILL SUPPLY GAS TO THE U.S.
FOR 25 YEARS. HE SPOKE GLOWINGLY OF THE FRUITFUL COOPERATION BE-
TWEEN SONATRACH AND EL PASO AND OF THE UNDERSTANDING EACH HAD SHOWN
FOR THE OTHER'S INTERESTS.

7. THE SPEAKER CLAIMED LIQUID HYDROCARBON RESERVES, POVED AND
RECOVERABLE, OF 12 BILLION BARRELS (CRUDE AND CONDENSATE), AND
RECOVERABLE GAS RESERVES OF 3.5 THILLION CUBIC METERS. THESE HE
CONTENDED WERE ADEQUATE TO FINANCE THE COUNTRY'S DEVELOPMENT OUT-
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ALGIER 00771 080939Z

SIDE THE HYDROCARBON SECTOR BUT ONLY IF THE PRICE CORRESPONDED TO
THE VALUE OF THE SACRIFICE OF A NON-RENEWABLE RESOURCE AND EXTERNAL
FINANCE WERE FOUND TO DEVELOP THE HYDROCARBON SECTOR. HYDROCARBON
EXPORTS CONTRIBUTED TO THE SOLUTION OF OTHER COUNTRIES' ENERGY
PROBLEMS AND THOSE COUNTRIES SHOULD HELP FINANCE THE NECESSARY
INVESTMENTS.

8. THE MINISTER ENDED BY THANKING ALL WHO HAD CONTRIBUTED TO THE
SUCCESS OF THE PROJECT.

9. FULL TEXT SENT TO NEA/AFN.
HAYNES

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LPG, SPEECHES, OPENING OF OFFICES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ALGIER00771
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780104-0725
Format: TEL
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780395/aaaadcge.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c1d897cb-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 ALGIERS 627, 78 ALGIERS 642
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3410467
Secure: OPEN
Status: NATIVE
Subject: ENERGY MINISTER'S SPEECH AT OPENING OF LNG PLANT
TAGS: ENRG, EFIN, AG, (GHOZALI, SID AHMED)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/c1d897cb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014